# ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.

**Review report and condensed interim financial information for the six-month period ended 30 June 2024**

**ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.**

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# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.

*Introduction*

We have reviewed the accompanying condensed statement of financial position of Abu Dhabi National Takaful Company P.S.C. (the "Company") as of 30 June 2024, and the related condensed statements of profit or loss, comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, *"Interim Financial Reporting"* ("IAS 34"). Our responsibility is to express a conclusion on these interim financial information based on our review.

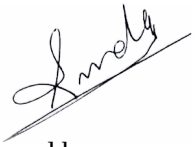
*Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Signed by:
Nurani Subramanian Sundar
Registration No. 5540
9 August 2024
Abu Dhabi
United Arab Emirates

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## Condensed statement of financial position as at 30 June 2024

| | Notes | 30 June 2024 (Unaudited) AED | 31 December 2023 (Audited) AED |
|---|---|---|---|
| **ASSETS** | | | |
| **Takaful operations assets** | | | |
| Re-takaful contract assets | **13** | **403,508,064** | 185,582,217 |
| Takaful contract assets | **12** | **1,423,563** | 1,208,981 |
| Prepaid expenses and other assets | | **43,698,537** | 44,193,000 |
| Unit linked investments at fair value through profit or loss | | **1,098,618** | 1,576,487 |
| Term deposits | **5** | **377,976,122** | 461,359,871 |
| Cash and bank balances | **5** | **21,170,974** | 27,728,110 |
| **Total takaful operations assets** | | **848,875,878** | 721,648,666 |
| **Shareholders' assets** | | | |
| Property and equipment | | **20,457,198** | 20,882,342 |
| Statutory deposit | **6** | **10,000,000** | 10,000,000 |
| Financial assets measured at fair value through other comprehensive income | **7 (a)** | **336,991,849** | 352,579,538 |
| Financial assets measured at amortized cost | **7 (b)** | **10,283,000** | 10,283,000 |
| Investments properties | **9** | **44,465,000** | 53,535,000 |
| Investment in commodities | **10** | **22,883,612** | 15,597,187 |
| Prepaid expenses and other assets | | **14,484,489** | 13,816,682 |
| Deferred tax asset, net | | **570,027** | - |
| Term deposits | **5** | **42,121,508** | 59,317,243 |
| Cash and bank balances | **5** | **19,434,188** | 8,045,041 |
| **Total shareholders' assets** | | **521,690,871** | 544,056,033 |
| **TOTAL ASSETS** | | **1,370,566,749** | 1,265,704,699 |
| **LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY** | | | |
| **Takaful operations liabilities** | | | |
| Takaful contract liabilities | **12** | **745,479,417** | 618,813,837 |
| Re-takaful contract liabilities | **13** | **35,201,422** | 20,596,543 |
| Accrued expenses and other liabilities | | **41,072,509** | 24,075,506 |
| **Total takaful operations liabilities** | | **821,753,348** | 663,485,886 |

The accompanying notes form an integral part of these condensed interim financial information.

## Condensed statement of financial position as at 30 June 2024 (continued)

| | Notes | 30 June 2024 (Unaudited) AED | 31 December 2023 (Audited) AED |
|---|---|---|---|
| **Shareholders' liabilities** | | | |
| Accrued expenses and other liabilities | | **95,935,689** | 139,044,562 |
| Provision for end of service benefits | | **14,157,108** | 13,722,727 |
| **Total shareholders' liabilities** | | **110,092,797** | 152,767,289 |
| **Total liabilities** | | **931,846,145** | 816,253,175 |
| **Policyholders' fund** | | | |
| Deficit of family policyholders takaful fund | **14** | **(11,692,373)** | (16,769,788) |
| Deficit of general policyholders takaful fund | **14** | **(30,781,589)** | (1,220,609) |
| Loan (Qard Hasan) from shareholders | **14** | **42,473,962** | 17,990,397 |
| **Total Policyholders' fund** | | **-** | - |
| **Shareholders' equity** | | | |
| Share capital | | **105,000,000** | 105,000,000 |
| Legal reserve | | **52,500,000** | 52,500,000 |
| General reserve | | **42,500,000** | 42,500,000 |
| Re-takaful default reserve | | **7,627,958** | 7,627,958 |
| Investment revaluation reserve | | **(57,399,400)** | (53,578,630) |
| Retained earnings | | **288,492,046** | 295,402,196 |
| **Total shareholders' equity** | | **438,720,604** | 449,451,524 |
| **TOTAL LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY** | | **1,370,566,749** | 1,265,704,699 |

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.

O. Abdeen

**Khamis Buharoon**
Chairman of the Board of Directors

**Osama Abdeen**
Chief Executive Officer

ER

The accompanying notes form an integral part of these condensed interim financial information.

# Abu Dhabi National Takaful Company P.S.C.
## Condensed statement of profit or loss
## for the six-month period ended 30 June 2024 (unaudited)

| | Notes | 3 months ended 30 June | | 6 months ended 30 June | |
|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 |
| | | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| | | **AED** | AED | **AED** | AED |
| **Attributable to policyholders** | | | | | |
| Takaful revenue | **17** | **176,835,580** | 147,218,174 | **366,460,598** | 288,562,220 |
| Takaful Service Expense | | **(290,853,385)** | (120,004,950) | **(457,198,681)** | (223,357,942) |
| Amounts recovered from re-takaful contracts | | **197,714,239** | 58,796,847 | **272,868,087** | 101,553,450 |
| Allocation of re-takaful contributions paid | | **(105,405,154)** | (81,224,445) | **(209,335,464)** | (168,871,676) |
| **Takaful service result** | | **(21,708,720)** | 4,785,626 | **(27,205,460)** | (2,113,948) |
| Investment income | | **5,199,959** | 3,847,540 | **11,555,231** | 7,205,267 |
| Mudareb share | | **(1,819,986)** | (1,346,640) | **(4,044,331)** | (2,521,844) |
| Takaful finance (expenses)/income | | **(1,942,725)** | 562,880 | **(4,606,437)** | (7,678,596) |
| Re-takaful finance income | | **1,371,006** | 1,144,258 | **2,965,286** | 8,135,371 |
| **Financial takaful result** | | **2,808,254** | 4,208,038 | **5,869,749** | 5,140,198 |
| Other expenses, net | | **(1,881,309)** | (112,588) | **(3,147,854)** | (127,751) |
| **(Deficit)/surplus of takaful result for the period** | | **(20,781,775)** | 8,881,076 | **(24,483,565)** | 2,898,499 |
| **Attributable to shareholders** | | | | | |
| Shareholders' investment and other income, net | | **6,027,943** | 4,316,237 | **15,085,909** | 13,782,125 |
| Mudareb share from policyholders | | **1,819,986** | 1,346,640 | **4,044,331** | 2,521,844 |
| Wakalah fees from policyholders | | **50,518,417** | 35,685,179 | **105,862,531** | 69,123,504 |
| Takaful expense | | **(16,215,957)** | (14,959,399) | **(35,786,922)** | (28,446,121) |
| General and administrative expenses | | **(16,568,890)** | (17,243,809) | **(33,813,066)** | (30,016,630) |
| (Increase)/decrease in provision of loan from shareholders | | **(20,781,775)** | 8,881,076 | **(24,483,565)** | 2,898,499 |
| **Profit for the period before taxation** | | **4,799,724** | 18,025,924 | **30,909,218** | 29,863,221 |
| Income tax expense | | **(318,787)** | - | **(2,398,365)** | - |
| **Profit for the period after taxation** | **20** | **4,480,937** | 18,025,924 | **28,510,853** | 29,863,221 |
| **Basic and diluted earnings per share** | **16** | **0.04** | 0.17 | **0.27** | 0.28 |

The accompanying notes form an integral part of these condensed interim financial information.

## Condensed statement of comprehensive income for the six-month period ended 30 June 2024 (unaudited)

| | 3 months ended 30 June | | 6 months ended 30 June | |
|---|---|---|---|---|
| | **2024 (Unaudited) AED** | 2023 (Unaudited) AED | **2024 (Unaudited) AED** | 2023 (Unaudited) AED |
| **Profit for the period** | **4,480,937** | 18,025,924 | **28,510,853** | 29,863,221 |
| **Other comprehensive income:** | | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | | |
| Change in fair value of equity investments measured at fair value through other comprehensive income, net of tax | **(6,461,329)** | (3,525,504) | **(7,599,582)** | 3,432,819 |
| *Items that may be reclassified subsequently to profit or loss:* | | | | |
| Change in fair value of sukuk investments measured at fair value through other comprehensive income, net of tax | **(129,174)** | 33,314 | **(359,299)** | (455,584) |
| Total other comprehensive (loss)/income for the period, net of tax | **(6,590,503)** | (3,492,190) | **(7,958,881)** | 2,977,235 |
| **Total comprehensive (loss)/income for the period** | **(2,109,566)** | 14,533,734 | **20,551,972** | 32,840,456 |

The accompanying notes form an integral part of these condensed interim financial information.

## Condensed statement of changes in shareholders' equity for the six-month period ended 30 June 2024

| | Share capital AED | Legal reserve AED | General reserve AED | Re-takaful default reserve AED | Investment revaluation reserve AED | Retained earnings AED | Total AED |
|---|---|---|---|---|---|---|---|
| Balance at 31 December 2023 (audited) | 105,000,000 | 52,500,000 | 42,500,000 | 7,627,958 | (53,578,630) | 295,402,196 | 449,451,524 |
| Profit for the period | - | - | - | - | - | 28,510,853 | 28,510,853 |
| Other comprehensive loss for the period | - | - | - | - | (7,958,881) | - | (7,958,881) |
| Total comprehensive income for the period | - | - | - | - | (7,958,881) | 28,510,853 | 20,551,972 |
| Loss on disposal of financial assets classified at FVTOCI | - | - | - | - | 4,138,111 | (3,921,003) | 217,108 |
| Dividends paid during the period | - | - | - | - | - | (31,500,000) | (31,500,000) |
| **Balance at 30 June 2024 (unaudited)** | **105,000,000** | **52,500,000** | **42,500,000** | **7,627,958** | **(57,399,400)** | **288,492,046** | **438,720,604** |
| Balance at 31 December 2022 (audited) | 105,000,000 | 51,819,922 | 42,500,000 | 5,387,784 | (20,866,807) | 229,591,147 | 413,432,046 |
| Profit for the period | - | - | - | - | - | 29,863,221 | 29,863,221 |
| Other comprehensive income for the period | - | - | - | - | 2,977,235 | - | 2,977,235 |
| Total comprehensive income for the period | - | - | - | - | 2,977,235 | 29,863,221 | 32,840,456 |
| Gain on disposal of financial assets classified at (FVTOCI) | - | - | - | - | (1,825,008) | 1,825,008 | - |
| Dividends paid during the period | - | - | - | - | - | (27,000,000) | (27,000,000) |
| Balance at 30 June 2023 (unaudited) | 105,000,000 | 51,819,922 | 42,500,000 | 5,387,784 | (19,714,580) | 234,279,376 | 419,272,502 |

The accompanying notes form an integral part of these condensed interim financial information.

## Condensed statement of cash flows for the six-month period ended 30 June 2024

| | 6 months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | **AED** | AED |
| | **(Unaudited)** | (Unaudited) |
| **OPERATING ACTIVITIES** | | |
| Net profit for the period before taxation | **30,909,218** | 29,863,221 |
| **Adjustments for:** | | |
| Depreciation of property and equipment | **951,958** | 1,056,950 |
| Investment and other income | **(26,641,140)** | (20,771,857) |
| Net movement in provision for end of service benefits | **434,381** | 935,276 |
| Allowance for expected credit losses on receivables | **500,000** | 122,356 |
| Allowance for expected credit losses on bank deposits | **505,735** | - |
| Gain on disposal of investment properties | **(70,000)** | - |
| Gain on disposal of property and equipment | **-** | (76,189) |
| **Operating profit before movements in working capital:** | **6,590,152** | 11,129,757 |
| Increase in prepaid and other assets | **(173,344)** | (36,602,173) |
| Increase in re-takaful contract assets | **(217,925,847)** | (38,407,212) |
| Increase in takaful contract assets | **(714,582)** | (7,311,734) |
| Decrease in unit linked investments | **477,869** | - |
| Increase in takaful contract liabilities | **126,665,580** | 21,507,206 |
| Increase in re-takaful contract liabilities | **14,604,879** | 3,002,307 |
| (Decrease)/increase in accrued expenses and other liabilities | **(21,844,294)** | 43,648,673 |
| Directors' remuneration paid | **(6,448,826)** | (1,637,930) |
| **Net cash used in operating activities** | **(98,768,413)** | (4,671,106) |
| **INVESTING ACTIVITIES** | | |
| Net movement in investments | **(227,651)** | (41,923,983) |
| Purchase of property and equipment | **(526,814)** | (502,310) |
| Proceeds from sale of property and equipment | **-** | 76,191 |
| Sale of investment properties | **9,140,000** | - |
| Investment and other income received | **26,641,140** | 20,771,857 |
| Net movement in term deposits | **82,073,749** | 35,937,498 |
| **Net cash generated from investing activities** | **117,100,424** | 14,359,253 |
| **FINANCING ACTIVITY** | | |
| Dividends paid | **(31,500,000)** | (27,000,000) |
| **Net cash used in financing activity** | **(31,500,000)** | (27,000,000) |
| **Decrease in cash and cash equivalents** | **(13,167,989)** | (17,311,853) |
| Cash and cash equivalents at the beginning of the period | **80,773,151** | 109,040,537 |
| **Cash and cash equivalents at the end of the period** | **67,605,162** | 91,728,684 |

The accompanying notes form an integral part of these condensed interim financial information.

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024

### 1 Corporate information

Abu Dhabi National Takaful Company PSC (the "Company") is a public shareholding company which was incorporated in Abu Dhabi, United Arab Emirates ("UAE") on 16 November 2003. The Company is registered in accordance with the Federal Decree Law No. (32) of 2021. The Company is subject to the regulations of the U.A.E. Federal Law No. 48 of 2023 on concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates. and is registered in the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") (formerly, the UAE Insurance Authority ("IA")) under registration number 071.

On 2 October 2023, the UAE Federal Decree Law No. 48 of 2023 regarding the regulation of Insurance activities was issued and came into effect on 30 November 2023 (the "New Insurance Law") which repealed the UAE Federal Law No. 6 of 2007. The Companies must within a period not exceeding (6) six months from the date of the enforcement of its provisions from 30 November 2023 ("the transitional period") comply with the provisions of the UAE Federal Decree Law No 48 of 2023. The Company complies with the requirements of the New Insurance Law.

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

The Company carries out takaful and retakaful activities of all classes in accordance with the provisions of the UAE Federal Law No. (48) of 2023. The Company is domiciled and operates in the UAE and its registered address is P.O. Box 35335, Abu Dhabi, UAE.

### 2 Application of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") (IFRS)

### 2.1 New and revised IFRS adopted in the condensed interim financial information

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in this condensed interim financial information. The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior periods.

| New and revised IFRSs | Effective for annual periods beginning or after |
|---|---|
| Amendment to IFRS 16 Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements | 1 January 2024 |
| Amendments to IAS 1 Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to IAS 1 Classification of liabilities as current or non-current | 1 January 2024 |

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 2 Application of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") ("IFRS") (continued)

### 2.2 New and revised IFRS in issue but not yet effective and not early adopted

| New and revised IFRSs | Effective for annual periods beginning or after |
|---|---|
| IFRS 18 — Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 — Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2025 |
| Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011) | Effective date deferred indefinitely. Adoption is still permitted. |
| Amendments to IAS 1 – Amendments to IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies | Effective date deferred indefinitely. Adoption is still permitted. |

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

## 3 Summary of material accounting policy information

### 3.1 Basis of preparation

The condensed interim financial information for the six-month period ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

The condensed interim financial information does not contain all information and disclosures required in the annual financial statements prepared in accordance with the International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The condensed interim financial information are presented in UAE Dirhams (AED) being the functional and presentation currency of the Company.

The condensed interim financial information has been prepared on the historical cost convention as modified for re-measurement of investment securities and investment properties at fair value.

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 3 Summary of material accounting policy information (continued)

### 3.2 Material accounting policy information

The accounting policies, including those pertaining to financial assets, property and equipment and investment properties, applied by the Company in the preparation of the condensed interim financial information are consistent with those applied by the Company in the annual financial statements for the year ended 31 December 2023.

## 4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023.

*Assessment of significance of takaful risk:*

The Company applies its judgement in assessing whether a contract transfers to the issuer significant takaful risk. A contract transfers significant takaful risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

*Risk adjustment*

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach in the range of 65th to 75th percentile, adjusted for diversification. That is, the Company has assessed its indifference to uncertainty for all groups of contracts (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent in the range of 65th to 75th percentile confidence level, adjusted for diversification, less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

The selection of Risk Adjustment percentile is linked to inherent volatility of underlying risk. For relatively stable lines (Motor and Medical), a $60^{th}$ percentile has been chosen while for other lines a more conservative $70^{th}$ percentile has been chosen.

*Onerous groups*

The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 4 Critical accounting judgments and key sources of estimation uncertainty (continued)

*Time value of money*

The Company adjusts the carrying amount of the takaful contracts liabilities and re-takaful contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity contribution'). The Company applies a published risk free yield curve (EIOPA RFR).

*Liability for incurred claims*

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 5 Cash and cash equivalents

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| **Takaful operations assets** | | |
| Cash and bank balances | **21,170,974** | 27,728,110 |
| Term deposits | **377,976,122** | 461,359,871 |
| | **399,147,096** | 489,087,981 |
| Less: term deposits with original maturity of more than three months | **(350,976,122)** | (435,359,871) |
| Cash and cash equivalents | **48,170,974** | 53,728,110 |
| **Shareholders' assets** | | |
| Cash and bank balances | **19,434,188** | 8,045,041 |
| Term deposits | **42,627,243** | 59,317,243 |
| Expected credit loss on term deposit | **(505,735)** | - |
| | **61,555,696** | 67,362,284 |
| Less: term deposits with original maturity of more than three months | **(42,627,243)** | (40,317,243) |
| Add: expected credit loss on term deposits | **505,735** | - |
| Cash and cash equivalents | **19,434,188** | 27,045,041 |
| Takaful operations assets | **48,170,974** | 53,728,110 |
| Shareholders' assets | **19,434,188** | 27,045,041 |
| Cash and cash equivalents | **67,605,162** | 80,773,151 |

The movement of expected credit loss is as follows:

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| Opening balance | **-** | - |
| Expected credit loss booked during the period | **505,735** | - |
| Closing balance | **505,735** | - |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 5 Cash and cash equivalents (continued)

Term deposits represent deposits held with Islamic financial institutions in the UAE, are denominated in UAE dirhams and carry profit at the prevailing market rates ranging from 4.1% to 7% per annum (31 December 2023: 4.1% to 7% per annum).

### 6 Statutory deposit

In accordance with the requirements of the Federal Law No. (48) of 2023, the Company maintains a bank deposit of AED 10,000,000 which cannot be utilised without the consent of the UAE Central Bank. The statutory deposit is held with a commercial bank in the UAE, a related party (note 8).

### 7 Financial assets

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| Financial assets measured at fair value through other comprehensive income | **336,991,849** | 352,579,538 |
| Financial assets measured at amortised cost | **10,283,000** | 10,283,000 |
| | **347,274,849** | 362,862,538 |

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 7 Financial assets (continued)

### 7 (a) Financial assets measured at fair value through other comprehensive income

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| ***Shareholders' assets*** | | |
| Quoted securities | | |
| - *Equity securities* | **69,630,465** | 87,013,507 |
| - *Sukuks* | **71,660,896** | 86,260,040 |
| Expected credit losses on Sukuk | **(508,515)** | (508,515) |
| ***Total quoted securities for shareholders' assets*** | **140,782,846** | 172,765,032 |
| Unquoted securities | | |
| - *Unlisted equities* | **196,209,003** | 179,814,506 |
| ***Total unquoted securities for shareholders' assets*** | **196,209,003** | 179,814,506 |
| **Total quoted and unquoted securities for shareholders assets** | **336,991,849** | 352,579,538 |

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| Quoted securities | **140,782,846** | 172,765,032 |
| Unquoted securities | **196,209,003** | 179,814,506 |
| | **336,991,849** | 352,579,538 |

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 7 Financial assets (continued)

### 7 (a) Financial assets measured at fair value through other comprehensive income (continued)

The movement of investment is as follows

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| Opening balance | **352,579,539** | 315,880,256 |
| Net (disposal)/purchase during the period | **(10,979,777)** | 69,411,105 |
| Realized loss during the period | **4,138,111** | 2,818,865 |
| Unrealized loss during the period | **(8,746,024)** | (35,530,687) |
| Closing balance | **336,991,849** | 352,579,539 |

The geographical concentration of investments is as follows:

| | **30 June 2024 (unaudited)** | 31 December 2023 (audited) |
|---|---|---|
| | **AED** | AED |
| Within UAE | **157,432,035** | 164,891,912 |
| Outside UAE | **179,559,814** | 187,687,626 |
| | **336,991,849** | 352,579,538 |

Investments include AED 133.4 million (2023: AED 197.4 million) registered in the name of custodians who are holding these investments on behalf of the Company through investment agreements.

Unquoted equity securities are valued primarily based on net assets of the investees unless recent transactions provide evidence of the current fair value. The Company classified these as level 3 investments.

**Notes to the condensed financial statements**
**for the six-month period ended 30 June 2024 (continued)**

## 7 Financial assets (continued)

### 7 (b) Financial assets measured at amortized cost

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| ***Shareholders' assets*** | | |
| Unquoted securities | | |
| - *Murabaha placement* | **10,283,000** | 10,283,000 |
| **Total securities for shareholders assets** | **10,283,000** | 10,283,000 |

The geographical concentration of investments is as follows:

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| Within UAE | **-** | - |
| Outside UAE | **10,283,000** | 10,283,000 |
| Total investments | **10,283,000** | 10,283,000 |

## 8 Related parties

Related parties comprise the shareholders, Directors and key management personnel of the Company and those entities in which they have a significant interest and the ability to control or exercise significant influence in financial and operational decisions. Details of significant transactions with related parties in the normal course of business are as follows:

| | **Shareholders AED** | **Directors and their related parties AED** | **Key management personnel AED** | **Total AED** |
|---|---|---|---|---|
| **Balances as at 30 June 2024 (unaudited)** | | | | |
| Statutory deposit (note 6) | **10,000,000** | **-** | **-** | **10,000,000** |
| Due from related parties | **19,870,612** | **24,563,706** | **-** | **44,434,318** |
| Due to a related party | **627,511** | **-** | **-** | **627,511** |
| Investment in Sukuk | **4,591,213** | **-** | **-** | **4,591,213** |

**Notes to the condensed financial statements**
**for the six-month period ended 30 June 2024 (continued)**

## 8 Related parties (continued)

| | Shareholders AED | Directors and their related parties AED | Key management personnel AED | Total AED |
|---|---|---|---|---|
| **Transactions for the six-month period ended 30 June 2024 (unaudited)** | | | | |
| Gross contributions written | **26,484,978** | **26,442,199** | **-** | **52,927,177** |
| Takaful expenses | **3,225,808** | **-** | **-** | **3,225,808** |
| Profit on term deposits | **898,424** | **-** | **-** | **898,424** |
| Profit on sukuk | **157,128** | **-** | **-** | **157,128** |
| Short-term benefits | **-** | **-** | **4,211,423** | **4,211,423** |
| Long-term benefits | **-** | **-** | **111,103** | **111,103** |
| Board of Directors' remuneration paid | **-** | **-** | **6,448,826** | **6,448,826** |

| | Shareholders AED | Directors and their related parties AED | Key management personnel AED | Total AED |
|---|---|---|---|---|
| **Transactions for the three-month period ended 30 June 2024 (unaudited** | | | | |
| Gross contributions written | **25,717,400** | **24,470,529** | **-** | **50,187,929** |
| Takaful expenses | **678,166** | **-** | **-** | **678,166** |
| Profit on term deposits | **271,099** | **-** | **-** | **271,099** |
| Profit on sukuk | **78,783** | **-** | **-** | **78,783** |
| Short-term benefits | **-** | **-** | **1,952,962** | **1,952,962** |
| Long-term benefits | **-** | **-** | **55,858** | **55,858** |
| Board of Directors' remuneration paid | **-** | | **6,448,826** | **6,448,826** |

| | Shareholders AED | Directors and their related parties AED | Key management personnel AED | Total AED |
|---|---|---|---|---|
| **Balances as at 31 December 2023 (audited)** | | | | |
| Statutory deposit (note 6) | 10,000,000 | - | - | 10,000,000 |
| Investment in sukuk | 4,795,845 | - | - | 4,795,845 |
| Due from related parties | 26,794 | 784,088 | - | 810,882 |
| Due to a related party | 963,496 | - | - | 963,496 |

## Notes to the condensed financial statements for the six-month period ended 30 June 2024 (continued)

### 8 Related parties (continued)

| | Shareholders AED | Directors and their related parties AED | Key management personnel AED | Total AED |
|---|---|---|---|---|
| **Transactions for the six-month period ended 30 June 2023 (unaudited)** | | | | |
| Gross contributions written | 31,075,641 | 20,536,975 | - | 51,612,616 |
| Takaful expenses | 2,910,868 | - | - | 2,910,868 |
| Profit on term deposits | 254,267 | - | - | 254,267 |
| Short-term benefits | - | - | 2,413,431 | 2,413,431 |
| Long-term benefits | - | - | 111,103 | 111,103 |
| Board of Directors' remuneration paid | - | - | 1,637,930 | 1,637,930 |

| | Shareholders AED | Directors and their related parties AED | Key management personnel AED | Total AED |
|---|---|---|---|---|
| **Transactions for the three-month period ended 30 June 2023 (unaudited)** | | | | |
| Gross contributions written | 28,637,552 | 19,338,974 | - | 47,976,526 |
| Takaful expenses | 1,382,664 | - | - | 1,382,664 |
| Profit on term deposits | 129,845 | - | - | 129,845 |
| Short-term benefits | - | - | 1,406,054 | 1,406,054 |
| Long-term benefits | - | - | 55,245 | 55,245 |
| Board of Directors' remuneration paid | - | - | 1,637,930 | 1,637,930 |

The remuneration of key management personnel is based on the remuneration agreed in their employment contracts as approved by the Board of Directors.

At the Annual General Meeting held on April 16, 2024, the Shareholders approved the Directors' remuneration of AED 6,448,826 for the year 2023. For the year 2022, the Directors' remuneration of AED 1,637,930 was approved by the Shareholders at the Annual General Meeting held on April 11, 2023.

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 9 Investment properties

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| At 1 January | **53,535,000** | 17,850,000 |
| Addition during the period | **-** | 25,040,600 |
| Disposal during the period | **(9,070,000)** | - |
| Change in fair value | - | 10,644,400 |
| | **44,465,000** | 53,535,000 |

Investment properties are stated at fair value which represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as Level 3 in the fair value hierarchy as at 30 June 2024 (31 December 2023: Level 3).

## 10 Investment in commodities

The Company has invested in gold and sliver which has been classified as investments at fair value through profit and loss. The commodity market value is determined from the commodities market which is a secondary market and accordingly it has been classified under level 2 investment. There were no transfers between Level 1 and 3 or to Level 2 during current period. As of 30 June 2024, the Company holds physical gold bullions having market value of AED 22.6 million (31 December 2023: AED 15.3 million) and silver bullions having market value of AED 0.3 million (31 December 2023: AED 0.3 million).

## 11 Dividends

For the year ended 31 December 2023, cash dividend of AED 31,500,000 at a rate of AED 0.3 per share was approved by shareholders on 16 April 2024 and paid in April 2024.

For the year ended 31 December 2022, cash dividend of AED 27,000,000 at a rate of AED 0.2571 per share was approved by shareholders on 11 April 2023 and paid in April 2023.

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 12 Takaful contract assets and liabilities

### Reconciliation of the liability for remaining coverage and the liability for incurred claims for takaful contracts

| | LRC | | | LIC for contracts under PAA | | |
|---|---|---|---|---|---|---|
| | Excluding loss components AED | Loss Components AED | LIC for contracts not measured under PAA AED | Present value of future cash flows AED | Risk adjustment for non-fin-risk AED | Total AED |
| Opening takaful contract assets | (3,638,846) | - | - | 2,271,137 | 158,728 | (1,208,981) |
| Opening takaful contract liabilities | 329,973,926 | 15,970,064 | 31,612,781 | 230,769,198 | 10,487,868 | 618,813,837 |
| **Net balance at 1 January 2024 (audited)** | **326,335,080** | **15,970,064** | **31,612,781** | **233,040,335** | **10,646,596** | **617,604,856** |
| **Takaful revenue** | **(366,460,598)** | **-** | **-** | **-** | **-** | **(366,460,598)** |
| **Takaful service expenses** | | | | | | |
| Incurred benefits and expenses | - | - | 11,771,002 | 374,327,922 | 5,271,626 | 391,370,550 |
| Changes that relate to past service - adjustments to LIC | - | - | (7,639,427) | (14,040,450) | (8,605,602) | (30,285,479) |
| Losses on onerous contracts and reversal of those losses | - | (9,318,939) | - | - | - | (9,318,939) |
| Amortisation of takaful acquisition cash flows | 105,432,549 | - | - | - | - | 105,432,549 |
| **Takaful service expenses** | **105,432,549** | **(9,318,939)** | **4,131,575** | **360,287,472** | **(3,333,976)** | **457,198,681** |
| Takaful finance expenses through profit and loss | 1,040,043 | (7,574) | 611,844 | 2,962,135 | - | 4,606,448 |
| Net foreign exchange income or expense | 9 | (8) | (12) | - | - | (11) |
| Investment components | (463,413) | - | 463,413 | - | - | - |
| **Total changes in statement of profit and loss** | **(260,451,410)** | **(9,326,521)** | **5,206,820** | **363,249,607** | **(3,333,976)** | **95,344,520** |
| **Cash flows** | | | | | | |
| Contributions received | 307,420,222 | - | - | - | - | 307,420,222 |
| Claims paid | - | - | (5,572,910) | (165,388,279) | - | (170,961,189) |
| Directly attributable expenses paid | - | - | (433,130) | - | - | (433,130) |
| Acquisition cost paid | (104,919,425) | - | - | | - | (104,919,425) |
| **Total cash flow** | **202,500,797** | **-** | **(6,006,040)** | **(165,388,279)** | **-** | **31,106,478** |
| **Net balance at 30 June 2024** | **268,384,467** | **6,643,543** | **30,813,561** | **430,901,663** | **7,312,620** | **744,055,854** |
| Closing takaful contract assets | (4,079,095) | - | - | 2,591,519 | 64,013 | (1,423,563) |
| Closing takaful contract liabilities | 272,463,562 | 6,643,543 | 30,813,561 | 428,310,144 | 7,248,607 | 745,479,417 |
| **Net closing balance 30 June 2024 (unaudited)** | **268,384,467** | **6,643,543** | **30,813,561** | **430,901,663** | **7,312,620** | **744,055,854** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 12 Takaful contract assets and liabilities (continued)

### Reconciliation of the liability for remaining coverage and the liability for incurred claims for takaful contracts (continued)

| | LRC | | | LIC for contracts under PAA | | |
|---|---|---|---|---|---|---|
| | Excluding loss Components AED | Loss Components AED | LIC for contracts not measured under PAA AED | Present value of future cash flows AED | Risk adjustment for non-financial risk AED | Total AED |
| Opening takaful contract assets | - | - | - | - | - | - |
| Opening takaful contract liabilities | 288,012,562 | 20,679,495 | 32,694,778 | 142,506,272 | 5,204,323 | 489,097,430 |
| **Net balance at 1 January 2023 (audited)** | **288,012,562** | **20,679,495** | **32,694,778** | **142,506,272** | **5,204,323** | **489,097,430** |
| **Takaful revenue** | **(672,453,727)** | **-** | **-** | **-** | **-** | **(672,453,727)** |
| **Takaful service expenses** | | | | | | |
| Incurred benefits and expenses | - | - | 20,042,837 | 343,191,363 | 9,339,598 | 372,573,798 |
| Changes that relate to past service - adjustments to LIC | - | - | (11,826,994) | (19,632,113) | (3,897,325) | (35,356,432) |
| Losses on onerous contracts and reversal of those losses | - | (4,715,093) | - | - | - | (4,715,093) |
| Amortisation of takaful acquisition cash flows | 168,977,978 | - | - | - | - | 168,977,978 |
| **Takaful service expenses** | **168,977,978** | **(4,715,093)** | **8,215,843** | **323,559,250** | **5,442,273** | **501,480,251** |
| Takaful finance expenses through profit and loss | 11,137,313 | 5,664 | 1,032,785 | 4,782,280 | - | 16,958,042 |
| Net foreign exchange income or expense | (1) | (2) | (9) | - | - | (12) |
| **Total changes in statement of profit and loss** | **(492,338,437)** | **(4,709,431)** | **9,248,619** | **328,341,530** | **5,442,273** | **(154,015,446)** |
| **Cash flows** | | | | | | |
| Contributions received | 746,433,473 | - | - | - | - | 746,433,473 |
| Claims paid | - | - | (9,719,302) | (237,807,467) | - | (247,526,769) |
| Directly attributable expenses paid | - | - | (611,314) | - | - | (611,314) |
| Takaful acquisition cash flows | (215,772,518) | - | - | - | - | (215,772,518) |
| **Total cash flow** | **530,660,955** | **-** | **(10,330,616)** | **(237,807,467)** | **-** | **282,522,872** |
| **Net balance at 31 December 2023** | **326,335,080** | **15,970,064** | **31,612,781** | **233,040,335** | **10,646,596** | **617,604,856** |
| Closing takaful contract assets | (3,638,846) | - | - | 2,271,137 | 158,728 | (1,208,981) |
| Closing takaful contract liabilities | 329,973,926 | 15,970,064 | 31,612,781 | 230,769,198 | 10,487,868 | 618,813,837 |
| **Net closing balance 31 December 2023 (audited)** | **326,335,080** | **15,970,064** | **31,612,781** | **233,040,335** | **10,646,596** | **617,604,856** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 12 Takaful contract assets and liabilities (continued)

### Reconciliation of measurement component of takaful contract balances not measured under the PAA

| | Present value of future cash flows AED | Risk adjustment for non-fin-risk AED | CSM AED | Total AED |
|---|---|---|---|---|
| Opening takaful contract assets | - | - | - | - |
| Opening takaful contract liabilities | 154,773,837 | 7,871,468 | 24,554,650 | 187,199,955 |
| **Net balance at 1 January 2024 (audited)** | **154,773,837** | **7,871,468** | **24,554,650** | **187,199,955** |
| **Changes related to current services** | | | | |
| CSM recognized in profit and loss | - | - | (2,154,808) | (2,154,808) |
| Risk adjustment recognized in profit and loss | - | (299,113) | - | (299,113) |
| Experience adjustments | 4,065,548 | 115,006 | - | 4,180,554 |
| | **4,065,548** | **(184,107)** | **(2,154,808)** | **1,726,633** |
| **Changes related to future services** | | | | |
| Contracts initially recognized in the period | (1,792,342) | 90,591 | 1,748,781 | 47,030 |
| Changes in estimates that adjust CSM | 1,215,277 | (59,124) | (1,156,153) | - |
| Changes in estimates that result in onerous contracts or reversal of losses | 683,751 | (41,690) | - | 642,061 |
| | **106,686** | **(10,223)** | **592,628** | **689,091** |
| **Changes that relate to past service** | | | | |
| Changes that relate to past service - adjustments to LIC | **(7,486,039)** | **(153,390)** | **-** | **(7,639,429)** |
| **Takaful Service result** | **(3,313,805)** | **(347,720)** | **(1,562,180)** | **(5,223,705)** |
| Takaful finance expenses through profit and loss | 1,170,451 | - | 473,862 | 1,644,313 |
| Net foreign exchange income or expense | (15) | - | 4 | (11) |
| **Total changes in statement of profit and loss** | **(2,143,369)** | **(347,720)** | **(1,088,314)** | **(3,579,403)** |
| **Cash flows** | | | | |
| Contribution reversal | (3,250,479) | - | - | (3,250,479) |
| Claims paid | (5,572,910) | - | - | (5,572,910) |
| Directly attributable expenses paid | (433,130) | - | - | (433,130) |
| Acquisition cost paid | (1,257,779) | - | - | (1,257,779) |
| **Total cash flow** | **(10,514,298)** | **-** | **-** | **(10,514,298)** |
| **Net balance at 30 June 2024** | **142,116,170** | **7,523,748** | **23,466,336** | **173,106,254** |
| **Closing takaful contract assets** | **-** | **-** | **-** | **-** |
| **Closing takaful contract liabilities** | **142,116,170** | **7,523,748** | **23,466,336** | **173,106,254** |
| **Net closing balance 30 June 2024 (unaudited)** | **142,116,170** | **7,523,748** | **23,466,336** | **173,106,254** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 12 Takaful contract assets and liabilities (continued)

### Reconciliation of measurement component of takaful contract balances not measured under the PAA (continued)

| | Present value of future cash flows AED | Risk adjustment for non-financial risk AED | CSM AED | Total AED |
|---|---|---|---|---|
| Opening takaful contract assets | - | - | - | - |
| Opening takaful contract liabilities | 174,102,928 | 9,371,704 | 30,896,030 | 214,370,662 |
| **Net balance at 1 January 2023 (audited)** | **174,102,928** | **9,371,704** | **30,896,030** | **214,370,662** |
| **Changes related to current services** | | | | |
| CSM recognized for service provided | - | - | (9,960,292) | (9,960,292) |
| Risk adjustment recognized for the risk expired | - | (1,176,378) | - | (1,176,378) |
| Experience adjustments | 4,520,544 | 63,276 | - | 4,583,820 |
| | **4,520,544** | **(1,113,102)** | **(9,960,292)** | **(6,552,850)** |
| **Changes related to future services** | | | | |
| Contracts initially recognized in the period | (5,213,958) | 312,050 | 4,973,453 | 71,545 |
| Changes in estimates that adjust CSM | 3,041,002 | (434,971) | (2,606,031) | - |
| Changes in estimates that result in onerous contracts or reversal of losses | 435,981 | (142,072) | - | 293,909 |
| | **(1,736,975)** | **(264,993)** | **2,367,422** | **365,454** |
| **Changes that relate to past service** | | | | |
| Changes that relate to past service - adjustments to LIC | **(11,704,854)** | **(122,140)** | **-** | **(11,826,994)** |
| **Takaful Service result** | **(8,921,285)** | **(1,500,235)** | **(7,592,870)** | **(18,014,390)** |
| Takaful finance expenses through profit and loss | 10,924,257 | - | 1,251,502 | 12,175,759 |
| Net foreign exchange income or expense | 2 | (1) | (12) | (11) |
| **Total changes in statement of profit and loss** | **2,002,974** | **(1,500,236)** | **(6,341,380)** | **(5,838,642)** |
| **Cash flows** | | | | |
| Contribution reversals | (7,877,555) | - | - | (7,877,555) |
| Claims paid | (9,719,284) | - | - | (9,719,284) |
| Directly attributable expenses paid | (611,314) | - | - | (611,314) |
| Takaful acquisition cash flows | (3,123,912) | - | - | (3,123,912) |
| **Total cash flow** | **(21,332,065)** | **-** | **-** | **(21,332,065)** |
| **Net balance at 31 December 2023** | **154,773,837** | **7,871,468** | **24,554,650** | **187,199,955** |
| **Closing takaful contract assets** | **-** | **-** | **-** | **-** |
| **Closing takaful contract liabilities** | **154,773,837** | **7,871,468** | **24,554,650** | **187,199,955** |
| **Net closing balance 31 December 2023 (audited)** | **154,773,837** | **7,871,468** | **24,554,650** | **187,199,955** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 13 Re-takaful contracts assets and liabilities

### Reconciliation of changes in re-takaful contracts held by remaining coverage and incurred claims

| | | | | Incurred claims for contract under PAA | | |
|---|---|---|---|---|---|---|
| | Remaining coverage excluding loss-recovery component AED | Remaining coverage loss-recovery component AED | Incurred claims for contracts not measured under PAA AED | Present value of future cash flows AED | Risk adjustment for non-financial risk AED | Total AED |
| Opening re-takaful contract assets | **21,357,697** | **5,969,851** | **30,284,182** | **121,880,032** | **6,090,455** | **185,582,217** |
| Opening re-takaful contract liabilities | **(56,075,412)** | **-** | **-** | **33,822,656** | **1,656,213** | **(20,596,543)** |
| **Net balance at 1 January 2024 (audited)** | **(34,717,715)** | **5,969,851** | **30,284,182** | **155,702,688** | **7,746,668** | **164,985,674** |
| **Net income or expense from re-takaful contracts held** | | | | | | |
| Allocation of re-takaful contribution | (209,335,464) | - | - | - | - | (209,335,464) |
| Amounts recoverable for claims and other expenses | - | - | 11,391,264 | 221,768,453 | 3,194,794 | 236,354,511 |
| Changes that relate to past service – adjustments to AIC | - | - | (7,898,876) | 55,796,798 | (5,235,683) | 42,662,239 |
| Changes in loss recovery component | - | (5,434,825) | - | - | - | (5,434,825) |
| Effect of changes in the risk of reinsurers non-performance | (592,802) | - | (173) | (120,863) | - | (713,838) |
| **Net (expense)/income from re-takaful contracts held** | **(209,928,266)** | **(5,434,825)** | **3,492,215** | **277,444,388** | **(2,040,889)** | **63,532,623** |
| Re-takaful finance income through profit and loss | 702,957 | - | 587,612 | 1,674,720 | - | 2,965,289 |
| Net foreign exchange income or expense | 4 | - | (7) | - | - | (3) |
| **Total changes in statement of profit and loss** | **(209,225,305)** | **(5,434,825)** | **4,079,820** | **279,119,108** | **(2,040,889)** | **66,497,909** |
| **Cash flows** | | | | | | |
| Contributions paid to re-takaful | 249,208,239 | - | - | - | - | 249,208,239 |
| Recoveries from re-takaful | - | - | (4,832,473) | (107,552,707) | - | (112,385,180) |
| **Total cash flows** | **249,208,239** | **-** | **(4,832,473)** | **(107,552,707)** | **-** | **136,823,059** |
| **Net balance at 30 June 2024** | **5,265,219** | **535,026** | **29,531,529** | **327,269,089** | **5,705,779** | **368,306,642** |
| Closing re-takaful contract assets | 71,023,422 | 535,026 | 29,531,529 | 297,918,974 | 4,499,113 | 403,508,064 |
| Closing re-takaful contract liabilities | (65,758,203) | - | - | 29,350,115 | 1,206,666 | (35,201,422) |
| **Net closing balance 30 June 2024 (unaudited)** | **5,265,219** | **535,026** | **29,531,529** | **327,269,089** | **5,705,779** | **368,306,642** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 13 Re-takaful contracts assets and liabilities (continued)

### Reconciliation of changes in re-takaful contracts held by remaining coverage and incurred claims (continued)

| | | | | Incurred claims for contract under PAA | | |
|---|---|---|---|---|---|---|
| | Remaining coverage excluding loss-recovery component AED | Remaining coverage loss-recovery component AED | Incurred claims for contracts not measured under PAA AED | Present value of future cash flows AED | Risk adjustment for non-financial risk AED | Total AED |
| Opening re-takaful contract assets | **42,557,918** | **4,412,863** | **31,295,709** | **52,790,269** | **3,653,656** | **134,710,415** |
| Opening re-takaful contract liabilities | **(79,167,789)** | **-** | **-** | **42,990,510** | **382,799** | **(35,794,480)** |
| **Net balance at 1 January 2023 (audited)** | **(36,609,871)** | **4,412,863** | **31,295,709** | **95,780,779** | **4,036,455** | **98,915,935** |
| **Net income or expense from re-takaful contracts held** | | | | | | |
| Allocation of re-takaful contribution | (379,234,065) | - | - | - | - | (379,234,065) |
| Amounts recoverable for claims and other expenses | - | - | 18,811,720 | 96,877,028 | 4,465,791 | 120,154,539 |
| Changes that relate to past service – adjustments to AIC | - | - | (11,329,578) | 105,614,527 | (755,578) | 93,529,371 |
| Changes in loss recovery component | - | 1,556,988 | - | - | - | 1,556,988 |
| Effect of changes in the risk of reinsurers non-performance | - | - | (7,331) | (459,673) | - | (467,004) |
| **Net (expense)/income from re-takaful contracts held** | **(379,234,065)** | **1,556,988** | **7,474,811** | **202,031,882** | **3,710,213** | **(164,460,171)** |
| Re-takaful finance income through profit and loss | 9,006,911 | - | 988,962 | 3,534,115 | - | 13,529,988 |
| Net foreign exchange income or expense | (2) | - | (8) | - | - | (10) |
| **Total changes in statement of profit and loss** | **(370,227,156)** | **1,556,988** | **8,463,765** | **205,565,997** | **3,710,213** | **(150,930,193)** |
| **Cash flows** | | | | | | |
| Contributions paid to re-takaful | 372,119,312 | - | - | - | - | 372,119,312 |
| Recoveries from re-takaful | - | - | (9,475,292) | (145,644,088) | - | (155,119,380) |
| **Total cash flows** | **372,119,312** | **-** | **(9,475,292)** | **(145,644,088)** | **-** | **216,999,932** |
| **Net balance at 31 December 2023** | **(34,717,715)** | **5,969,851** | **30,284,182** | **155,702,688** | **7,746,668** | **164,985,674** |
| Closing re-takaful contract assets | 21,357,697 | 5,969,851 | 30,284,182 | 121,880,032 | 6,090,455 | 185,582,217 |
| Closing re-takaful contract liabilities | (56,075,412) | - | - | 33,822,656 | 1,656,213 | (20,596,543) |
| **Net closing balance 31 December 2023 (audited)** | **(34,717,715)** | **5,969,851** | **30,284,182** | **155,702,688** | **7,746,668** | **164,985,674** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 13 Re-takaful contracts assets and liabilities (continued)

**Reconciliation of measurement component of re-takaful contract balances not measured under the PAA**

| | Present value of future cash flows AED | Risk adjustment for non-financial risk AED | CSM AED | Total AED |
|---|---|---|---|---|
| Opening re-takaful contract assets | **(8,258,583)** | **5,969,015** | **22,576,597** | **20,287,029** |
| Opening re-takaful contract liabilities | - | - | - | - |
| **Net balance at 1 January 2024 (audited)** | **(8,258,583)** | **5,969,015** | **22,576,597** | **20,287,029** |
| **Changes related to current services** | | | | |
| CSM recognized for services received | - | - | (1,288,278) | (1,288,278) |
| Risk adjustment recognized for the risk expired | - | (167,861) | - | (167,861) |
| Experience adjustments | 4,644,064 | 107,191 | - | 4,751,255 |
| | **4,644,064** | **(60,670)** | **(1,288,278)** | **3,295,116** |
| **Changes related to future services** | | | | |
| Contracts initially recognized in the period | (1,451,926) | 122,444 | 1,329,482 | - |
| Changes in estimates that adjust CSM | 309,913 | (342,256) | 32,343 | - |
| | **(1,142,013)** | **(219,812)** | **1,361,825** | **-** |
| **Changes that relate to past service** | | | | |
| Changes that relate to past service - adjustments to AIC | (7,755,416) | (143,460) | - | (7,898,876) |
| Effect of changes in the risk of reinsurers non-performance | (592,975) | - | - | (592,975) |
| **Takaful Service result** | **(4,846,340)** | **(423,942)** | **73,547** | **(5,196,735)** |
| Takaful finance income through profit and loss | 952,355 | - | 338,213 | 1,290,568 |
| Net foreign exchange income or expense | (8) | - | 5 | (3) |
| **Total changes in statement of profit and loss** | **(3,893,993)** | **(423,942)** | **411,765** | **(3,906,170)** |
| **Cash flows** | | | | |
| Contributions paid to re-takaful | 16,191,562 | - | - | 16,191,562 |
| Recoveries from re-takaful | (4,832,473) | - | - | (4,832,473) |
| **Total cash flows** | **11,359,089** | **-** | **-** | **11,359,089** |
| **Net closing balance 30 June 2024** | **(793,487)** | **5,545,073** | **22,988,362** | **27,739,948** |
| **Closing re-takaful contract assets** | (793,487) | 5,545,073 | 22,988,362 | 27,739,948 |
| **Closing re-takaful contract liabilities** | - | - | - | - |
| **Net closing balance 30 June 2024 (unaudited)** | **(793,487)** | **5,545,073** | **22,988,362** | **27,739,948** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 13 Re-takaful contracts assets and liabilities (continued)

### Reconciliation of measurement component of re-takaful contract balances not measured under the PAA (continued)

| | Present value of future cash flows AED | Risk adjustment for non-financial risk AED | CSM AED | Total AED |
|---|---|---|---|---|
| Opening re-takaful contract assets | **(10,501,930)** | **6,949,320** | **17,304,271** | **13,751,661** |
| Opening re-takaful contract liabilities | **-** | **-** | **-** | **-** |
| **Net balance at 1 January 2023 (audited)** | **(10,501,930)** | **6,949,320** | **17,304,271** | **13,751,661** |
| **Changes related to current services** | | | | |
| CSM recognized for services received | - | - | (4,288,097) | (4,288,097) |
| Risk adjustment recognized for the risk expired | - | (667,029) | - | (667,029) |
| Experience adjustments | 6,002,060 | 56,312 | - | 6,058,372 |
| | **6,002,060** | **(610,717)** | **(4,288,097)** | **1,103,246** |
| **Changes related to future services** | | | | |
| Contracts initially recognized in the period | (4,111,597) | 431,232 | 3,680,365 | - |
| Changes in estimates that adjust CSM | (4,620,650) | (690,285) | 5,310,935 | - |
| | **(8,732,247)** | **(259,053)** | **8,991,300** | **-** |
| **Changes that relate to past service** | | | | |
| Changes that relate to past service - adjustments to AIC | (11,219,044) | (110,534) | - | (11,329,578) |
| Effect of changes in the risk of reinsurers non-performance | (7,331) | - | - | (7,331) |
| **Takaful Service result** | **(13,956,562)** | **(980,304)** | **4,703,203** | **(10,233,663)** |
| Takaful finance income through profit and loss | 9,426,758 | - | 569,118 | 9,995,876 |
| Net foreign exchange income or expense | (14) | (1) | 5 | (10) |
| **Total changes in statement of profit and loss** | **(4,529,818)** | **(980,305)** | **5,272,326** | **(237,797)** |
| **Cash flows** | | | | |
| Contributions paid to re-takaful | 16,248,458 | - | - | 16,248,458 |
| Recoveries from re-takaful | (9,475,293) | - | - | (9,475,293) |
| **Total cash flows** | **6,773,165** | **-** | **-** | **6,773,165** |
| **Net closing balance 31 December 2023** | **(8,258,583)** | **5,969,015** | **22,576,597** | **20,287,029** |
| **Closing re-takaful contract assets** | (8,258,583) | 5,969,015 | 22,576,597 | 20,287,029 |
| **Closing re-takaful contract liabilities** | - | - | - | - |
| **Net closing balance 31 December 2023 (audited)** | **(8,258,583)** | **5,969,015** | **22,576,597** | **20,287,029** |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 14 Movement in policyholders' funds and distribution payable to life Policyholders

| | Surplus/(deficit) of family policyholders' funds AED | Surplus/(deficit) of general policyholders takaful funds AED | Loan from shareholders AED | Investment revaluation reserve AED | Total AED |
|---|---|---|---|---|---|
| At 1 January 2024 (audited) | **(16,769,788)** | **(1,220,609)** | **17,990,397** | **-** | **-** |
| Surplus/(deficit) in the reporting period | **5,077,415** | **(29,560,980)** | **-** | **-** | **(24,483,565)** |
| Loan (Qard Hasan) taken from shareholders | **-** | **-** | **24,483,565** | **-** | **24,483,565** |
| **At 30 June 2024 (unaudited)** | **(11,692,373)** | **(30,781,589)** | **42,473,962** | **-** | **-** |
| At 1 January 2023 (audited) | (26,997,664) | (3,329,190) | 30,326,854 | - | - |
| Surplus in the reporting year | 10,227,876 | 2,108,581 | - | - | 12,336,457 |
| Loan (Qard Hasan) paid back to shareholders | - | - | (12,336,457) | - | (12,336,457) |
| At 31 December 2023 (audited) | (16,769,788) | (1,220,609) | 17,990,397 | - | - |

### 15 Mudareb share and wakalah fees

The shareholders manage the policyholders' investment fund and charge 35% (30 June 2023: 35%) of investment income earned by policyholders' investment fund as mudareb share.

The shareholders manage the takaful operations for the policyholders and charge 25.7% (30 June 2023: 29.9%) of gross takaful contributions as wakalah fees.

### 16 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

| | 3 months ended 30 June | | 6 months ended 30 June | |
|---|---|---|---|---|
| | **2024 (unaudited)** | 2023 (unaudited) | **2024 (unaudited)** | 2023 (unaudited) |
| Profit for the period (AED) | **4,480,937** | 18,025,924 | **28,510,853** | 29,863,221 |
| Weighted average number of shares outstanding at 1 January | **105,000,000** | 105,000,000 | **105,000,000** | 105,000,000 |
| Weighted average number of shares at | **105,000,000** | 105,000,000 | **105,000,000** | 105,000,000 |
| Basic and diluted earnings per share (AED) | **0.04** | 0.17 | **0.27** | 0.28 |

The Company has not issued any instruments which would have a dilutive impact on earnings per share when converted or exercised.

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 17 Takaful revenue

The following table presents an analysis of takaful revenue recognised in the period:

| | 3 months ended 30 June | | 6 months ended 30 June | |
|---|---|---|---|---|
| | **2024 AED (unaudited)** | 2023 AED (unaudited) | **2024 AED (unaudited)** | 2023 AED (unaudited) |
| **Amounts relating to changes in LFRC** | | | | |
| Expected benefits incurred | **3,501,538** | 3,541,773 | **6,942,347** | 7,158,163 |
| Expected expenses incurred | **228,778** | - | **498,924** | - |
| Change in the risk adjustment | **47,312** | 291,789 | **295,156** | 495,470 |
| CSM recognized | **656,746** | 3,296,018 | **2,154,806** | 5,139,569 |
| Recovery of acquisition cash flows | **302,630** | 496,226 | **606,253** | 783,688 |
| Contracts not measured under PAA | **4,737,004** | 7,625,806 | **10,497,486** | 13,576,890 |
| Contracts measured under PAA | **172,098,576** | 139,592,368 | **355,963,112** | 274,985,330 |
| Total takaful revenue | **176,835,580** | 147,218,174 | **366,460,598** | 288,562,220 |

### 18 Segment information

For operating purposes, the Company is organised into two main business segments:

- Underwriting of takaful business incorporating all classes of takaful including fire, marine, motor, general accident, engineering, medical and family takaful. This business is conducted fully within the UAE.
- Investments incorporating investments in UAE marketable equity securities, short-term investments with banks and other securities.

Information regarding the Company's reportable segments is presented below:

**Segment revenue and results**

| | Six months ended 30 June 2024 (unaudited) | | | Six months ended 30 June 2023 (unaudited) | | |
|---|---|---|---|---|---|---|
| | **Underwriting AED** | **Investments AED** | **Total AED** | Underwriting AED | Investments AED | Total AED |
| Direct revenues | **366,460,598** | **26,641,140** | **393,101,738** | 288,562,220 | 20,848,046 | 309,410,266 |
| Direct costs | **(393,666,058)** | - | **(393,666,058)** | (290,676,168) | - | (290,676,168) |
| Finance (cost)/income, net | **(1,641,151)** | - | **(1,641,151)** | 456,775 | - | 456,775 |
| Other (expenses)/income, net | **(3,147,854)** | - | **(3,147,854)** | (127,751) | 139,346 | 11,595 |
| Takaful expenses | **70,075,609** | - | **70,075,609** | 40,677,383 | - | 40,677,383 |
| **Segment results** | **38,081,144** | **26,641,140** | **64,722,284** | 38,892,459 | 20,987,392 | 59,879,851 |
| Unallocated costs | | | **(36,211,431)** | | | (30,016,630) |
| **Profit for the period** | | | **28,510,853** | | | 29,863,221 |

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 18 Segment information (continued)

**Segment revenue and results (continued)**

| | **Three months ended 30 June 2024 (unaudited)** | | | Three months ended 30 June 2023 (unaudited) | | |
|---|---|---|---|---|---|---|
| | **Underwriting AED** | **Investments AED** | **Total AED** | Underwriting AED | Investments AED | Total AED |
| Direct revenues | **176,835,580** | **11,227,902** | **188,063,482** | 147,218,174 | 7,974,289 | 155,192,463 |
| Direct costs | **(198,544,300)** | - | **(198,544,300)** | (142,432,548) | - | (142,432,548) |
| Finance (cost)/income, net | **(571,719)** | - | **(571,719)** | 1,707,138 | - | 1,707,138 |
| Other (expenses)/income, net | **(1,881,309)** | - | **(1,881,309)** | (112,588) | 189,488 | 76,900 |
| Takaful expenses | **34,302,460** | - | **34,302,460** | 20,725,780 | - | 20,725,780 |
| **Segment results** | **10,140,712** | **11,227,902** | **21,368,614** | 27,105,956 | 8,163,777 | 35,269,733 |
| Unallocated costs | | | **(16,887,677)** | | | (17,243,809) |
| **Profit for the period** | | | **4,480,937** | | | 18,025,924 |

Revenue reported above represents revenue generated from external customers and third parties. There were no inter-segment revenues in the period (30 June 2023: AED nil).

**Segment assets and liabilities**

| | **As at 30 June 2024 (unaudited)** | | | As at 31 December 2023 (audited) | | |
|---|---|---|---|---|---|---|
| | **Underwriting AED** | **Investments AED** | **Total AED** | Underwriting AED | Investments AED | Total AED |
| Segment assets | **448,630,164** | **886,424,871** | **1,335,055,035** | 230,984,198 | 1,000,021,477 | 1,231,005,675 |
| Unallocated assets | **-** | - | **35,511,714** | - | - | 34,699,024 |
| **Total assets** | **448,630,164** | **886,424,871** | **1,370,566,749** | 230,984,198 | 1,000,021,477 | 1,265,704,699 |
| Segment liabilities | **915,304,160** | **-** | **915,304,160** | 769,785,896 | - | 769,785,896 |
| Unallocated liabilities | **-** | - | **16,541,985** | - | - | 46,467,279 |
| **Total liabilities** | **915,304,160** | **-** | **931,846,145** | 769,785,896 | - | 816,253,175 |
| **Capital expenditure** | | | **526,812** | | | 694,140 |

### 19 Seasonality of results

No income of seasonal nature was recorded in the income statement for the six-month period ended 30 June 2024 and 2023.

## Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)

### 20 Profit for the period

The Company's combined net profit for the period after tax for policyholder and shareholder, before Qard Hasan provision is AED 28,510,853 (30 June 2023: AED 26,964,722).

### 21 Contingent liabilities and commitments

| | **30 June 2024 (unaudited) AED** | 31 December 2023 (audited) AED |
|---|---|---|
| Bank guarantees | **-** | 500,000 |

Bank guarantees were issued in the normal course of business.

### 22 Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

| | **Level 1 AED** | **Level 2 AED** | **Level 3 AED** | **Total AED** |
|---|---|---|---|---|
| **30 June 2024 (unaudited)** | | | | |
| Financial assets measured at fair value through profit or loss | **1,098,618** | **11,021,400** | **-** | **12,120,018** |
| Financial assets measured at fair value through other comprehensive income | **149,162,422** | **-** | **176,808,027** | **325,970,449** |
| | **150,261,040** | **11,021,400** | **176,808,027** | **338,090,467** |
| 31 December 2023 (audited) | | | | |
| Financial assets measured at fair value through profit or loss | 1,576,487 | - | - | 1,576,487 |
| Financial assets measured at fair value through other comprehensive income | 172,765,032 | - | 179,814,506 | 352,579,538 |
| | 174,341,519 | - | 179,814,506 | 354,156,025 |

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

**Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (continued)**

## 23 Solvency margin

Section 2 of the Financial Regulations for Takaful Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to takaful liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which have been complied with during the period. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations.

| | **31 March 2024 (unaudited) AED** | 31 December 2023 (unaudited) AED |
|---|---|---|
| Minimum Capital Requirement (MCR) | **100,000,000** | 100,000,000 |
| Solvency Capital Requirement (SCR) | **122,053,024** | 126,401,551 |
| Minimum Guarantee Fund (MGF) | **77,588,249** | 71,092,892 |
| Basic Own Funds | **364,953,591** | 380,592,327 |
| **MCR Solvency Margin – Surplus** | **264,953,591** | 280,592,327 |
| **SCR Solvency Margin – Surplus** | **242,900,567** | 254,190,776 |
| **MGF Solvency Margin – Surplus** | **287,365,342** | 309,499,435 |

## 24 Acquisition of individual life takaful portfolio

On 27 October 2022, the Company reached an initial agreement to acquire the individual life takaful portfolio from Dubai Islamic Insurance & Reinsurance Company PJSC, subject to obtaining regulatory approval of the Central Bank of United Arab Emirates and satisfaction of all conditions of the agreement.

On 29 May 2023, the Central Bank of the United Arab Emirates issued the initial approval for the acquisition. On 20 July 2023, the Central Bank of United Arab Emirates issued its final approval for the above acquisition. However, the remaining conditions of the agreement have not yet been satisfied.

## 25 Approval of condensed interim financial information and responsibility statement

The condensed interim financial information of the Company for the period ended 30 June 2024 has been authorised for issue in accordance with a resolution of the Board of Directors on 9 August 2024.